

### **REMARKS— General**

This amendment is in response to the office action by Examiner James H. Zurita, mailed 7/10/2008 for Application No. 10/757,432 originally filed on 1/15/2007, and having confirmation no. 4097 as well as the Telephonic Application Interview conducted at 2:00pm EST on November 19, 2008 with James H. Zurita, Glenn Seidman, Shawn Perleschi, and Patent Agent Gary Goates.

Prior to this amendment, claims 28-53 were pending in this application. Claims 28-53 are herein cancelled. Claims 54-66 are newly presented.

### **REMARKS— Telephonic Application Interview**

At the Telephonic Application Interview, the following activities and agreements took place:

Agreed that even though since Mr. Zurita became convinced of a new understanding of the patent application during the interview, he still cannot give any indication of patentability during the telephone interview. This is the case, since at the point of the new understanding, a new search for prior art needs to be performed and will be conducted.

Agreed that the invention is a variation of a forward auction where sellers start auctions and bidders compete for the item with generally higher and higher priced bids. Agreed that a reverse auction is where a purchaser starts the auction and sellers compete for selling the item with generally lower and lower offers. Agreed that while primarily a forward auction, the patent application provides a short-bidding capability relative to a seller's fixed price where the bid will be automatically accepted. Thus, a bidder may bid any price regardless of all other bids.

Agreed that Gupta's patent (US 7,130,815) is a reverse auction and that Gupta cited Priceline.com as an example. Agreed that the patent application presents an auction apparatus that is, in general the opposite of Gupta's invention (forward vs. reverse auction), therefore, it cannot be considered for preventing patentability.

Agreed that in the patent application, the variation of short-bidding is illustrated in the figures of the original application. Agreed that FIG. 3 illustrates the ability for a bidder to bid any price and that FIG. 4 illustrates the ability for a seller to look over all prices bid and check which ones to accept.

Agreed that eBay's "Buy it now" feature is distinct from the short-bidding capability. "Buy it now" and the patent application both have a fixed price set by the seller that will automatically consummate a transaction, but ebay's "Buy it now" provides no means to communicate a lower bid price as the inventors' patent application does.

Mr. Zurita asked inventors if they had researched prior art. Dr. Seidman indicated that this had been done but that nothing was close. Mr. Zurita indicated that it would be helpful to submit an Information Disclosure Statement of what was found, but that it may be submitted after the response currently due.

Mr. Zurita ended by saying that inventors may either file a Request for Reconsideration, at which point they will get an advisory action that the examiner cannot allow anything after Final action. Inventors could then file a Request for Continued Examination. Mr. Zurita then indicated that it

might just be better to skip the Request for Reconsideration and file the Request for Continued Examination (RCE).

### **REMARKS— Pro se Applicant**

It has been noted in the office action that Applicants are advised to secure the services of a registered patent attorney. Applicants have secured such services from registered patent agent Gary Goates. Mr. Goates has closely worked with Applicants in guiding them as well as drafting with them all amended claims. Mr. Goates has also closely assisted with the writing of Applicants' response to the recent office action.

### **REMARKS— Abstract**

It has been noted in the office action that the Abstract appears to be a repetition of claim 1 and paragraph 7. Applicants have submitted a modified Abstract to comply with 37 CFR 1.172 and MPEP 608.01(b).

### **REMARKS— Claim Objections**

It has been noted in the office action that Claim 28 is objected to because it ends with a semicolon and should end with a period. Amended claims have been submitted without this erroneous informatility.

### **REMARKS— Claim Rejections – 35 USC § 112**

For **Claim 42**, The Office Action states that Claim 42 is rejected because it fails to comply with the written description requirement. Applicants agree that they failed to comply with this requirement for this specific claim. Applicants have cancelled Claim 42 and have intentionally not provided an amended equivalent.

The Office Action states that **Claims 28-52** are rejected as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicants regard as the invention. Two paragraphs later in the Office Action, the Office Action states that the reason for the indefiniteness is because Claims 28, 32, 36, 37, 48 and 50 contain the conditional OR; Claim 44 contains the term and/or. As such, these terms render the claims indefinite. Applicants have amended claims with new versions of these claims with the conditional OR removed and restructuring the paragraphs to incorporate the intended themes. Applicants believe that the currently pending claims are definite under 35 USC § 112 paragraph 6.

The Office Action states that Claims 28-52 recite intended use of the apparatus. Applicants have addressed the Office Action statement that Applicants' invention is not distinguishable over Gupta in the "REMARKS—Claim Rejections – 35 USC § 103" part of this response.

The Office Action states that **Claim 33** contains the term because and it is not possible to determine the metes and bounds of the claim. There is no mention of "...becoming ...downloadable..." in the specification. Applicants have submitted new claim 67 which is a rewritten form of claim 33 that is supported by the specification in paragraph 0020 where it says:

The most notable screen components (FIG. 2) of this embodiment are the three checkboxes "forever" for duration, "infinite" for quantity, and "none" for price. Unlike typical auctions, auctions in the present invention can have a duration that lasts forever with a posted price but where short-bids are collected and potentially honored by the seller at any point in time during an indefinitely long period of time. The "infinite" quantity checkbox is employed for electronically

downloadable goods where any number of purchases and subsequent downloads may take place. The "none" checkbox for price allows sellers to not have to post a price at all. In this case, all bids are considered short-bids such that all bids are subject to the acceptance of the seller.

The Office Action states that **Claim 28** refers to various databases. It goes on to say that the term database will be given its broadest reasonable interpretation to include logical and physical aggregations of data. Applicants acknowledge this.

### **REMARKS— Claim Rejections – 35 USC § 103**

The Office Action states that Claims 28 – 52, as interpreted, are rejected as being unpatentable over Gupta (US 7,130,815). As per **Claim 28**, Gupta discloses apparatus that

- Registers users ...;
- Allows users to post information about a good ...;
- a Bid Creator with User interface for purchasing bidders...;
- a Bid Reviewer User interface for sellers ...;
- a Bid Manager that executes a sale ...;
- a Sale Executor that executes a sale between purchasing bidder and seller ...;
- an Email Notifier ...;
- an Auction Database ...;
- an Auction Item Manager that stores the properties of an auction ...

Applicants respectfully request that the Patent Office see that Applicants' invention distinguishes itself from the Gupta patent in four areas. The four areas are not only distinct from Gupta's apparatus but they represent the opposite of Gupta's apparatus in that Applicants' invention is a form of

forward auction and Gupta's apparatus is a reverse auction. In other words, Gupta teaches away from Applicants' invention. The fourth area is not opposite of Gupta's apparatus, but rather completely distinct from it.

The four areas are: 1) the role of the auction creator/initiator (seller for Applicants vs. purchaser for Gupta), 2) the active competitive bidders (purchasers for Applicants vs. sellers for Gupta), 3) the optimal direction of bids (ascending for Applicants vs. descending for Gupta) , and 4) a bid price below the ask price, a short-bid, may be at any price regardless of all previous bids. These four areas are described in detail below.

#### **Sellers create auctions in Applicants' invention as claimed**

Applicants' invention provides means for only sellers to create and start an auction. Applicants' **Claim 54** states this in its first two paragraphs as follows:

A method for electronically managing auctions that include short-bidding, the method comprising:

creating an auction, which includes entering information about an item, setting a quantity for the item, and setting an asking price for the item, where the auction creating is performed via a seller user interface by a single seller;

In contrast, Gupta's invention provides means for only purchasers to create an auction. Gupta's column 5 lines 58-62 says,

In the Priceline.com system, a customer specifies a price that the customer is willing to pay for a loosely defined service such as hotel room or an airline flight between two cities.

The action of the buyer advertising a price to pay starts the auction.

**Purchasers compete to win auction in Applicants' invention as claimed**

Applicants' invention provides for purchasers to competitively bid on an item for auction. Applicants' **Claim 54** states this in its third paragraph as follows:

placing a bid on the item, including setting a bid price, where the bid price may be any price regardless of the asking price for the item and regardless of any bid prices on other bids, if any, for the item, where the bid becomes a short-bid contract when the bid price is less than the asking price, and where the bid is placed via a bid creator user interface by any one of a potential number of purchasing bidders;

In contrast, Gupta's invention provides the means for only sellers (called "distributors" in Gupta's patent) to competitively make an offer on an item or service to sell relative to a customer's bid price. Gupta's column 7 line 8-20 says,

When a distributor decides to enter an offer, the method proceeds through step 250 to step 255 where the reverse auctioneer accepts the offer entered by the distributor. If the offer entered by the distributor exceeds the current lowest offer price, then the reverse auctioneer may simply reject that offer. The reverse auctioneer updates the current offered prices as set forth in step 257 (provided that the offer was accepted). As the bidding process continues, the various approved product distributors may offer successively lower prices. Thus, by showing all the approved product distributor offered prices and allowing the distributors to re-bid, the distributors actively compete for the business of the purchaser.

**Purchaser bids in Applicants' invention are optimal when they ascend as in a forward auction, but may ascend or descend as claimed**

Applicants' invention is a variation of a forward auction. In general, when purchasers are competing to buy an item, the higher the bid, the better the bid is for the item. As such, in a Short bid auction when bids are made public, the auction will tend to ascend. Applicants' **Claim 54** states that there are a number of purchasing bidders in its third paragraph as follows:

placing a bid on the item, including setting a bid price, where the bid price may be any price regardless of the asking price for the item and regardless of any bid prices on other bids, if any, for the item, where the bid becomes a short-bid contract when the bid price is less than the asking price, and where the bid is placed via a bid creator user interface by any one of a potential number of purchasing bidders;

In contrast, Gupta teaches a reverse auction. Gupta's provides for competitive seller offers such that the lower the offer, the better the seller's offer is for the item. In fact, Gupta's teaches an auction where bids are strictly descending. Gupta's reverse auctioneer may simply reject offers that exceed (are higher) than the current lowest offer price. This enforces that the auction is strictly descending. Gupta's column 7 line 8-20 says,

When a distributor decides to enter an offer, the method proceeds through step 250 to step 255 where the reverse auctioneer accepts the offer entered by the distributor. If the offer entered by the distributor exceeds the current lowest offer price, then the reverse auctioneer may simply reject that offer. The reverse auctioneer updates the current offered prices as set forth in step 257 (provided that the offer was accepted). As the bidding process continues, the various approved product distributors may offer successively lower prices. Thus, by showing all the

approved product distributor offered prices and allowing the distributors to re-bid, the distributors actively compete for the business of the purchaser.

**Purchaser bids in Applicants' invention may be at any price regardless of all previous bid prices**

Applicants' invention provides the means for purchasers to short bid which ultimately allows descending or ascending bids below a seller's asking price. Applicants' **Claim 54** states this in its third paragraph as follows:

placing a bid on the item, including setting a bid price, where the bid price may be any price regardless of the asking price for the item and regardless of any bid prices on other bids, if any, for the item, where the bid becomes a short-bid contract when the bid price is less than the asking price, and where the bid is placed via a bid creator user interface by any one of a potential number of purchasing bidders;

Gupta does not disclose any means for multiple purchasers to bid any price on the same auction.

The Office Action then goes on to address each of the Claims 29 through 52 individually and essentially states that each of these Claims is already disclosed by Gupta, except for Claim 48. The Office Action states that Claim 48 is not patentable because the labels given to various actors and modules are not functionally related to the substrate of the article of manufacture. Applicants submit that because new Claims 54 through 66 (previously Claims 29 through 52) are dependent on independent new Claim 54 (previous Claim 28), which has been presented as

distinguishable from Gupta's Invention, each of these amended Claims is patentable.

## **Response to Arguments**

The Office Action states that Applicants' arguments retain references to cancelled claims. However, Applicants have amended the dependency of claims such that the new claims do not correspond in scope to the cancelled claims. None of the currently pending claims refer to any cancelled claims.

The Office Action states that the new claims recite different limitations from the old claims. Applicants submit herein new claims that more precisely describe the invention.

The Office Action presents a paragraph in the arguments that does not make sense. Applicants appreciate the Examiner's close attention to detail, and have carefully written and reviewed this document.

The Office Action provides statements in individual paragraphs that follow regarding Claims 28; 35 and 40; 36; 39; 44; 41; 45 and 47. The office action statements rely heavily on the fact that the Patent Office does not see that independent Claim 28 is patentable over Gupta; thus, the Patent Office states that all of the claims listed above, which are dependent on Claim 28, are neither distinguishable nor patentable. Applicants' have cancelled Claims 28 through 52 and have amended new Claims which are distinguishable over Gupta.

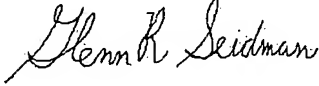
The Office Action states that claim 51 does not mention sales revenue in the specification. Applicants submit that while "sales revenue" is not


mentioned, "revenue" is mentioned in the specification and, thus, new Claim 63 (previously Claim 51) has been amended to employ the term "revenue".

The Office Action states that **claim 52** uses definitions that are not explicit definitions. Claim 52 is cancelled herein. Applicants believe that newly presented **claim 64** (which corresponds to claim 52) includes explicit definitions.

Applicants respectfully request that a timely Notice of Allowance be issued in this case.

Respectfully submitted,

By   
Dr. Glenn R Seidman  
Tel. (650) 678-7147

By   
Shawn Perleschi  
Tel. (650) 776-7797



## Certificate of Mailing under 37 CFR 1.8

I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to:

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

on March 2, 2009  
Date

*Glenn R. Seidman*

Signature

Dr. Glenn Seidman

Typed or printed name of person signing Certificate

Registration Number, if applicable

650-678-7147

Telephone Number

Note: Each paper must have its own certificate of mailing, or this certificate must identify each submitted paper.

This collection of information is required by 37 CFR 1.8. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 1.8 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.